

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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AIR CHINA LIMITED,

Plaintiff,

Docket No.
07 Civ. 11128 (LTS)(DFE)

- against -

NELSON LI (a/k/a SHENG LI), JOHN A. VARACCHI
(a/k/a JOHN A. DAVIS), GEORGE F. DONOHUE,
JAY KOPF (a/k/a JACOB M. KOPF)
CHRISTIAN M. DEUTSCH,
WBM-JMK DEVELOPMENT LLC (d/b/a WBM
INTERNATIONAL DEVELOPMENT),
JMK CONSTRUCTION GROUP LTD.,
TCC INTERIORS, LTD.,
GMAC REAL ESTATE LLC,
GMAC REAL ESTATE IPG NEW YORK,

**REPLY TO
DEFENDANTS'
COUNTERCLAIMS**

Defendants.

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Plaintiff, by its attorneys The Catafago Law Firm, P.C., hereby replies to defendant WBM-JMK's counterclaim as follows:

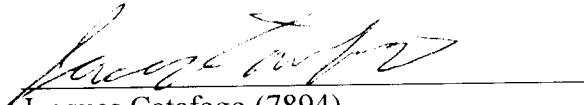
1. Plaintiff denies the allegations set forth in paragraph 54 of defendants' Answer in WBM-JMK's Counterclaim in that WBM-JMK may not enforce for its benefit the terms and rights under the alleged contract because the contract was fraudulently procured through defendants' deception upon plaintiff.
2. Plaintiff denies the allegations set forth in paragraph 55 of defendants' Answer in WBM-JMK's Counterclaim in that WBM-JMK cannot enforce a contract that was fraudulently procured by through defendants' deception upon plaintiff.
3. Plaintiff denies each and every allegation set for in paragraphs 56, 57, 58, 59, 60, and 61 of defendants' Answer in WBM-JMK's Counterclaim.

WHEREFORE, Plaintiff respectfully requests judgment against defendants as follows:

- (a) Dismissing the counterclaim of defendant WBM-JMK in its entirety, with prejudice; and
- (b) Granting plaintiff judgment against the defendants for all legal fees and expenses incurred as a result of plaintiff's defense against the legally and factually flawed Counterclaim; and
- (c) Granting plaintiff such other, further and different relief as this Court may deem just and proper.

Dated: New York, New York
April 11, 2008

THE CATAFAGO LAW FIRM, P.C.



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AIR CHINA Prelim.Pre-Trial.Smt.3-18-08